

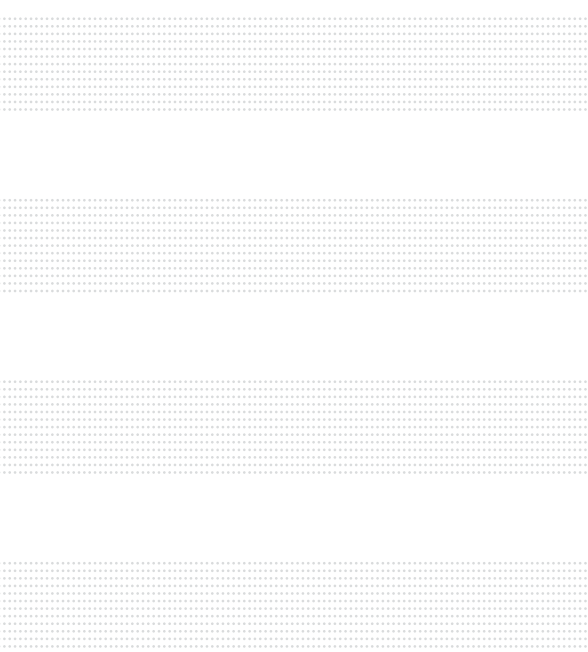


focussing on investment



Pritchard Equity Limited ACN 100 517 404

PROSPECTUS



Pritchard & Partners Pty Limited



Brokers to the Issue:
C S B Cameron Stockbrokers Limited

Pritchard Equity Limited aims to achieve long term shareholder returns through a **focused** portfolio of significant stakes in companies where Pritchard Equity Limited believes there are good opportunities for the value of an investment to grow over time.

PRITCHARD EQUITY LIMITED ACN 100 517 404

Prospectus for the issue of up to 250,000 Security Parcels each consisting of 2 A Ordinary Shares, 2 B Ordinary Shares, 2 Series 1 Options, 1 Series 2 Option and 1 Series 3 Option to raise up to \$1 million.

Brokers to the Issue

- Pritchard & Partners Pty Limited
- Cameron Stockbrokers Limited



DIRECTORY

Directors

Robert Franklin Cameron
 Gordon Bradley Elkington
 Enzo Pirillo
 Steven Shane Pritchard

Company Secretary

Enzo Pirillo

Principal Business Office and Registered Office

10 Murray Street
 Hamilton NSW 2303
 Ph: (02) 4920 2877
 Fax: (02) 4920 2878

Accountant and Taxation Adviser

Rees Pritchard Pty Limited
 10 Murray Street
 Hamilton NSW 2303
 Ph: (02) 4920 2877
 Fax: (02) 4920 2878

Auditors

Forsythes
 Level 5 Hunter Mall Chambers
 175 Scott Street
 Newcastle NSW 2300
 Ph: (02) 4926 2699
 Fax: (02) 4929 1435

Solicitors

Baker & McKenzie
 Level 27, A.M.P. Centre
 50 Bridge Street
 Sydney NSW 1223
 Ph: (02) 9225 0200
 Fax: (02) 9225 1595

Share Registry

Newcastle Capital Markets Registries Pty Limited
 10 Murray Street
 Hamilton NSW 2303
 Ph: (02) 4920 2877
 Fax: (02) 4920 2878

Sponsoring Broker and Nominated Adviser

Pritchard & Partners Pty Limited
 (AFS Licence Number 246712)
 10 Murray Street
 Hamilton NSW 2303
 Ph: (02) 4920 2877
 Fax: (02) 4920 2878

Brokers to the Issue

Cameron Stockbrokers Limited
 (AFS Licence Number 246705)
 Level 5
 10 Spring Street
 Sydney NSW 2000
 Ph: (02) 8223 5100
 Fax: (02) 9232 7272

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INDICATIVE DATES

Date of Prospectus	13 December 2005
Expiry of initial exposure period	20 December 2005
Expected Opening Date	20 December 2005
Expected Closing Date	7 March 2006
Trading of shares and options expected to commence on NSX	13 March 2006

The above dates are indicative only and may vary, subject to the requirements of the Listing Rules and the Corporations Act.

The Company reserves the right to vary any of the above dates and, in particular, to close the Offer earlier than 7 March 2006 or extend the Closing Date. All other affected dates may also be extended or brought forward as a consequence.



IMPORTANT NOTICES

No shares and options will be issued on the basis of this Prospectus later than the expiry date of the Prospectus, being the date 13 months after the date of the Prospectus.

No person is authorised to give any information or make any representation in connection with the Offer which is not contained in this Prospectus. Any information or representation not so contained or taken to be so contained may not be relied on as having been authorised by the Company in connection with the Offer.

Defined terms and abbreviations included in the text of this Prospectus are set out in the Glossary (Section 10).

The Company will apply to NSX for the shares and options to be listed for quotation on NSX within seven days after the date of this Prospectus.

A copy of this Prospectus has been lodged with ASIC. ASIC takes no responsibility for the content of the Prospectus.

The Offer under this Prospectus will be made pursuant to an arrangement between the Company and Dealers pursuant to section 911A(2)(b) of the Corporations Act. The Company will only authorise Dealers to make offers to persons to arrange for the issue of the shares and options by the Company under the Prospectus, and the Company will only issue the shares and options in accordance with such offers if they are accepted.

The Company will forward all Application Forms and Application Monies to Pritchards. Pritchards will deal with the Application Monies pursuant to this Prospectus. Any Application Form received which does not bear a Dealer's stamp will be forwarded to Pritchards.

Pritchards' function should not be considered as an endorsement of the Offer or a recommendation of the suitability of the Offer for any investor. Pritchards does not guarantee the success or performance of the Company or the returns (if any) which may be received by investors. Neither Pritchards nor any Dealer is responsible for or has caused the issue of this Prospectus. The Company reserves the right to enter into arrangements with other Dealers similar to those with Pritchards.

The invitation or offer to which the electronic Prospectus relates is only available to persons receiving the electronic Prospectus in Australia. Electronic copies of the Prospectus can be downloaded from www.pritchards.com.au or www.camstock.com.au.

The Company will send to any person a copy of the paper Prospectus and Application Form free of charge if the person asks for a copy during the application period.

The shares and options to which the electronic Prospectus relate will only be issued or transferred on receipt of a printed copy of the electronic Application Form. The Application Form may be generated by the software which accesses the Prospectus.

1. SUMMARY

This is a summary only. This Prospectus should be read in full before any decision is made to apply for Security Parcels.

1.1 Objective

The Company has been established:

- to make significant investments in a small number of entities where it believes that there are good opportunities for growth over time; and
- to seek out opportunities that enable it to leverage its returns, at the same time as limiting its risk.

Details of the Company's investment strategy and investment philosophy are contained in Section 2.

1.2 Existing Investments

The Company currently holds either directly or indirectly significant interests in the following companies:

- Cameron Stockbrokers Limited;
- Henley Underwriting & Investment Company Pty Limited;
- Illuminator Investment Company Limited;
- Newcastle Deposit & Investment Company Limited;
- NSX Limited; and
- Winpar Holdings Limited.

Additional details on the significant current investments of the Company are set out in Section 3 of this Prospectus.

1.3 The Offer

The Company will offer for subscription up to 250,000 Security Parcels.

Each Security Parcel will consist of 2 A Ordinary Shares, 2 B Ordinary Shares, 2 Series 1 Options, 1 Series 2 Option and 1 Series 3 Option. Each Application under this Prospectus must be for at least 500 Security Parcels, i.e. 1,000 A Ordinary Shares, 1,000 B Ordinary Shares, 1,000 Series 1 Options, 500 Series 2 Options and 500 Series 3 Options, for a total consideration of \$2,000. Additional Security Parcels may be applied for in multiples of 25 at a total issue price of \$100 per multiple of 25.

The rights attaching to the shares and options are set out in Section 9.



1. SUMMARY continued

1.4 Capital Structure

The capital structure of the Company prior to the Offer, and its capital structure assuming minimum and maximum subscriptions upon completion of the Offer, are set out below;

	A Ordinary Shares		B Ordinary Shares		C Ordinary Shares		Series 1 Options		Series 2 Options		Series 3 Options	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Prior to the Offer												
Existing Investors	289,230	100.0	250,000	100.0	250,000	100.0	389,230	100.0	194,615	100.00	194,615	100.0
Total	289,230	100.0	250,000	100.0	250,000	100.0	389,230	100.0	194,615	100.00	194,615	100.0
Minimum Subscription												
Existing Investors	289,230	69.8	250,000	66.7	250,000	100.0	389,230	75.7	194,615	75.7	194,615	75.7
New Investors	125,000	30.2	125,000	33.3	0	0.0	125,000	24.3	62,500	24.3	62,500	24.3
Total	414,230	100.0	375,000	100.0	250,000	100.0	514,230	100.0	257,115	100.0	257,115	100.0
Maximum Subscription												
Existing Investors	289,230	36.6	250,000	33.3	250,000	100.0	389,230	43.8	194,615	43.8	194,615	43.8
New Investors	500,000	63.4	500,000	66.7	0	0.0	500,000	56.2	250,000	56.2	250,000	56.2
Total	789,230	100.0	750,000	100.0	250,000	100.0	889,230	100.0	444,615	100.0	444,615	100.0

1.5 Risk Factors

An investment in the Company is speculative and involves a number of risks. While the Directors intend to use prudent management techniques to minimise the risks to Shareholders, no assurances can be given by the Company as to the success or otherwise of its business.

Investors should consider the risk factors identified in this Prospectus, particularly those identified in Section 6, before applying for Security Parcels.

1.6 Offer not Underwritten

The Offer is not underwritten.

1.7 Minimum Subscription

The intended minimum subscription for the Offer is \$250,000 being receipt of valid Applications for not less than 62,500 Security Parcels. If this minimum subscription is not received by the Company within four months after the date of this Prospectus, the Company will repay all Application Monies received within seven days of the expiry of that four month period.

1. SUMMARY continued

1.8 Applications for Security Parcels

Applications for Security Parcels must be made and will only be accepted on the Application Form issued with and attached to this Prospectus. An Application Form must be completed in accordance with the instructions set out on the reverse side of the form.

Applications must be for a minimum of 500 Security Parcels at a total issue price of \$2,000. Additional Security Parcels may be applied for in multiples of 25 at a total issue price of \$100 per multiple of 25. The Company reserves the right to accept Applications for smaller numbers of Security Parcels.

Applications must be accompanied by payment in Australian currency for the total number of Security Parcels applied for. Cheques should be made payable to "Pritchard Equity Limited - Float Account" and crossed "Not Negotiable". A payment by cheque will be deemed to have been made when the cheque is honoured by the bank on which it is drawn. No stamp duty or brokerage is payable by Applicants. The amount payable on Application will not vary during the period of the Offer and no further amount is payable on allotment.

Completed Application Forms and accompanying cheques may be lodged in person or by mail to any of the following:

Pritchard Equity Limited Share Offer
C/- Pritchard & Partners Pty Limited
10 Murray Street
Hamilton NSW 2303

Pritchard Equity Limited Share Offer
C/- Cameron Stockbrokers Limited
Level 5
10 Spring Street
Sydney NSW 2000

Pritchard Equity Limited Share Offer
C/- Pritchard & Partners Pty Limited
PO Box 413
Hamilton NSW 2303

Pritchard Equity Limited Share Offer
C/- Cameron Stockbrokers Limited
GPO Box 4248
Sydney NSW 2001

A binding contract will only be formed at the time shares are allotted and options are granted to Applicants.

Application Forms will be accepted at any time after the issue of this Prospectus and prior to 5 pm on the expected Closing Date.



1. SUMMARY continued

1.9 NSX Listing

Application will be made to NSX within seven days after the date of this Prospectus for the Company to be listed on NSX and for quotation of the shares and options issued pursuant to the Prospectus and all other A Ordinary Shares, B Ordinary Shares, Series 1 Options, Series 2 Options and Series 3 Options on issue as at the date of the quotation.

NSX and its officers take no responsibility for the contents of this Prospectus. The fact that NSX may admit the Company to its official list is not to be taken in any way as an indication of the merits of the Company or of the Securities offered pursuant to the Prospectus.

The Directors do not intend to allot any shares and options unless and until NSX grants permission for the shares and options to be listed for quotation unconditionally or on terms acceptable to the Directors. If permission is not granted for the shares and options to be listed for quotation before the end of three months after the date of this Prospectus or such longer period as is permitted by the Corporations Act with the consent of ASIC, all Application Moneys received pursuant to the Prospectus will be refunded without interest to Applicants in full within the time prescribed by the Corporations Act.

1.10 Allotment

No allotment of shares and options will be made until the intended minimum subscription has been received (unless the Company in its discretion determines otherwise) and permission has been granted by NSX for quotation of the shares and options unconditionally or on terms acceptable to the Directors. It is expected that allotment of the shares and options will take place on or before 7 March 2006.

The Company will forward all Application Forms it receives to Pritchards. All Application Monies pursuant to this Offer will be held in a subscription account until allotment. This account will be established and kept by Pritchards. The Company will keep any interest earned on the Application Moneys.

Where the number of Security Parcels allotted is less than the number applied for or where no allotment is made, surplus Application Monies will be returned by cheque within seven days of the expected Closing Date. No interest will be paid on the refunded Application Monies.

1.11 CHESSE

The Company will apply to NSX to participate in CHESSE. Under CHESSE, the Company does not issue certificates to investors. Instead investors receive CHESSE statements, similar to bank account statements, which set out holdings of shares and options.

CHESSE statements will be sent to successful Applicants after the allotment of shares and options, advising them of their holding and their holder identification number (HIN).

Further statements will be provided to holders which reflect any changes in their shareholding in the Company during a particular month.

1.12 Overseas Shareholders

The Offer does not constitute an offer in any place in which, or to any person to whom, it would not be lawful to make such an offer.

2. INFORMATION ON THE COMPANY

2.1 Overview of Business

The Company has been formed in order to provide Shareholders with exposure to a portfolio of investment opportunities which they would not generally encounter in their day to day investing activities.

The Directors will utilise their collective experience in accounting, corporate finance and investment when assessing investment opportunities for the Company.

The Company will not focus on investments in any particular industry sector.

Whilst it is anticipated that the Company will invest predominantly in Australia, overseas investments may also be considered.

In making its investment decisions the Company will generally take a medium to long term view with respect to investments (i.e. 3-5 years).

The Company intends to focus on active capital management, which may involve bonus issues, rights issues and option issues, with a view to enhancing the value of the Securities held by the investor.

The Company will also establish a Dividend Re-investment Plan (see Section 9.7).

2.2 Investment Objectives

The Company aims to achieve long term shareholder returns through a focused portfolio of significant stakes in companies where the Company believes there are good opportunities for the value of an investment to grow over time. However returns are not guaranteed.

2.3 Investment Philosophy

The Company will seek to invest and actively manage significant stakes in companies and situations where it believes there are good opportunities for the value of investments to increase over time.

The Company recognises that investment markets are not always perfectly efficient, and this may provide opportunities for the Company to generate good investment returns. The Company believes that these returns can only be achieved on a consistent basis by adopting a longer term investment horizon, and seeking to invest in companies and securities which have the potential for high or improving growth over the medium to long term.

Although the Company will generally take a medium to long term view with respect to investments, it may from time to time acquire investments with a view to profit through short term trading opportunities.

2.4 Investment Strategy

- The Company will seek to invest in those companies and situations where it believes a comfortable margin of safety exists between the price of an investment and its intrinsic value.
- The Company may invest part of its portfolio in managed funds.
- The Company will aim to diversify risk through holding a diversified portfolio.
- The Company may from time to time borrow on either a secured or unsecured basis to purchase additional investments, or to provide additional working capital for the Company.
- The Directors of the Company will seek to remain alert to changing circumstances in the marketplace and, where appropriate, will amend their investment strategy in order to enhance shareholder value.



2. INFORMATION ON THE COMPANY continued

2.5 Investment Process

The Company will adopt a disciplined investment process that is illustrated by the following flow chart:

Identifying Desirable Investment Criteria



Identifying Investment Opportunities



Undertaking Quantitative Analysis



Determining Portfolio Weighting

(a) Identifying Desirable Investment Criteria

In assessing the relevant merits of the investment opportunities available, the Company will regard the following as desirable investment criteria:

- Attractive investment fundamentals such as low price to earnings and cash flow multiples that reflect present undervalue;
- Attractive return on equity;
- Temporary disfavour in the market;
- Good long term growth potential;
- Good management record of performance and integrity;
- Significant management equity interest; and
- Trading price less than intrinsic value.

(b) Identifying Investment Opportunities

The Company will identify investment opportunities by various means. These means may include but are not limited to:

- Discussion with industry competitors, customers and suppliers;
- Examination of independent and broker research;
- Identification of key industry trends;

- Meeting with key management;
- Monitoring media coverage;
- Perusal of annual reports and announcements;
- Reviewing the impact of legislative changes; and
- Undertaking site visits.

(c) Undertaking Quantitative Analysis

The Company may, in appropriate cases, undertake financial analysis of entities in which it is proposed to invest.

An analysis will generally include calculations of the following:

- Debt to equity ratio;
- Earnings before interest, tax, depreciation and amortisation;
- Enterprise value;
- Growth rate in earnings per share;
- Net tangible assets;
- Price earnings ratio; and
- Rate of Return on equity.

(d) Determining Portfolio Weighting

It is expected that the Company will invest in a small number of securities and market sectors and that it will maintain a relatively concentrated portfolio compared to other listed investment companies.

2.6 Dividend Policy

The Company intends to pay dividends from its profits as permitted by law and prudent business practice. Dividends will be franked to the extent that available imputation credits permit.

3. DESCRIPTION OF CURRENT INVESTMENTS

3.1 Cameron Stockbrokers Limited

Background

The Company currently holds 270,000 fully paid ordinary shares in Cameron Capital Limited. These shares represent 32.74% of the issued share capital of Cameron Capital Limited. Cameron Capital Limited was incorporated on 7 March 2002 to acquire Cameron Stockbrokers Limited and is 100% owner of Cameron Stockbrokers Limited.

Description of business

Cameron Stockbrokers Limited is a stock broking firm which holds AFS Licence Number 246705 issued by ASIC, and is a participant of both ASX and NSX.

History

Cameron Stockbrokers Limited was incorporated in 2000 to acquire the firm known as Cameron Securities which was established by Robert Cameron in 1994.

Since its establishment Cameron Stockbrokers Limited has built up a strong franchise as a traditional private client stockbroker.

Broking

Cameron Stockbrokers Limited provides advice on investing in equities and other financial products. Additionally over the last three years Cameron Stockbrokers Limited has developed a niche position in dealing in UK equities.

Corporate finance

Cameron Stockbrokers Limited also operates a boutique corporate advisory business. This business has been active in providing corporate advice on capital raisings, underwriting and initial public offerings.

Information technology

Over the past three years Cameron Stockbrokers Limited has made a considerable investment in its information technology platform to enable it to provide fully integrated online information systems to its dealing desk.

Compliance

As the holder of a AFS Licence Cameron Stockbrokers Limited is regulated by the Corporations Act and the rules of ASX, NSX, ACH and ASTC. The firm has a compliance program to ensure that it complies with its legal obligations and best practice standards in the giving of advice to clients and the execution of client instructions.

Industry environment

The stockbroking industry is highly competitive and is becoming increasingly so, as the advent of online broking encroaches into the client full service market. Competition is intensifying as broking houses compete with non traditional participants such as banks, which can now provide execution services to clients. An increasing proportion of the Australian population hold, directly and indirectly, listed securities. This is partially offsetting the negative impact of reduced retail brokerage margins, increased competition amongst providers of broking services and the increasing costs of providing these services. Cameron Stockbrokers Limited is constantly reviewing industry conditions with the aim of implementing measures to improve the firm's position in the market.



3. DESCRIPTION OF CURRENT INVESTMENTS continued

Strategies

Cameron Stockbrokers Limited has ambitions to increase its client base and profile to obtain a more significant market share. The firm is currently developing an innovative strategic plan to improve the quality of client advice and services, and other aspects of the firm, to ensure that Cameron Stockbrokers Limited is considered to be among the most professional and ethical stockbroking firms.

Cameron Stockbrokers Limited is focussing on the following aspects of the business:

- Attracting and retaining staff who provide quality advice and professional service to clients, and who will generate higher revenues for the firm and generally lift its dealing profile;
 - Increasing the deal flow of opportunities for the corporate advisory section;
 - Expanding research capabilities;
 - Developing a formal marketing plan aimed at improving client services and lifting the firm's public profile;
 - Establishing regional offices to service client needs;
 - Improving communications between advisers and the firm's clients; and
 - Increasing opportunities for the retail clients to participate in initial public offerings.
- Cameron Stockbrokers Limited relies on ASX to continue to supply and operate efficiently the SEATS and CHESS services to enable it to execute orders and settle share trade transactions. A failure of either or both of these services could detrimentally affect the business conducted by Cameron Stockbrokers Limited.
 - The loss of key staff could result in Cameron Stockbrokers Limited losing valuable client relationships and transaction execution skills.
 - The Australian stock market is subject to economic and financial factors and the uncertainties of overseas financial markets. The market also responds to investor perceptions of the state of the Australian economy, Government policy and budgets, Reserve Bank announcements, foreign economies and market conditions generally. Any of these factors could contribute to a downturn in activity on the Australian stock market, which would have adverse effects on the performance of Cameron Stockbrokers Limited.
 - The stockbroking industry is regulated by the Corporations Act, ASIC, ASX and NSX operating rules. Cameron Stockbrokers Limited is required to hold certain licences and memberships to be able to conduct its business. If Cameron Stockbrokers Limited or its advisers breaches the requirements of the relevant regulations and licences, Cameron Stockbrokers Limited's ability to continue to conduct its business could be threatened.

Risks

Specific risks associated with an investment in Cameron Stockbrokers Limited include the following:

- Cameron Stockbrokers Limited is dependent on the ongoing efficient operation of its information and accounting computer system. A major hardware or software failure could create delays in processing daily transactions, resulting in abnormal costs if the failure cannot be addressed quickly.

These risks and others not specifically referred to may materially affect the financial performance of Cameron Stockbrokers Limited and the value of the Cameron Capital Limited securities held by the Company.

3. DESCRIPTION OF CURRENT INVESTMENTS *continued*

3.2 Henley Underwriting & Investment Company Pty Ltd

Background

The Company currently holds 958,467 fully paid ordinary shares in Henley Underwriting & Investment Company Pty Limited. Cameron Capital Limited holds an additional 813,576 fully paid ordinary shares. These holdings together account for 41.14% of the issued capital of Henley Underwriting & Investment Company Pty Limited.

Description of business

Henley Underwriting & Investment Company Pty Limited holds AFS Licence Number 260967.

The activities of Henley Underwriting & Investment Company Pty Limited at the present time are limited to the management of its investment portfolio. The major holdings in this portfolio consist of shares in Illuminator Investment Company Limited and Winpar Holdings Limited.

History

Henley Underwriting & Investment Company Pty Limited was incorporated on 3 February 1937.

The company was granted a Securities Dealers Licence on 3 August 1984 by the Corporate Affairs Commission of New South Wales and from that time carried on business as an investor and underwriter.

In 1994 the company was instrumental in the establishment of Cameron Securities, a predecessor firm of Cameron Stockbrokers Limited.

Upon incorporation of the firm of Cameron Securities as Cameron Stockbrokers Limited, Henley Underwriting & Investment Company Pty Limited became the parent entity of the Cameron Group.

Subsequent to the sale of Cameron Stockbrokers Limited in 2002 to Cameron Capital Limited, the activities of Henley Underwriting & Investment Company Pty Limited have been substantially limited to the management of its investments.

Risks

Some of the specific risks associated with an investment in Henley Underwriting & Investment Company Pty Limited are as follows:

- The success and profitability of the company will depend in part upon the ability of the directors to invest in well-managed companies which have the ability to increase in value over time.
- The price of investments that the company holds can fall as well as rise.
- The portfolio of the company is concentrated in a small number of investments.

These risks and others not specifically referred to may materially affect the financial performance of Henley Underwriting & Investment Company Pty Limited and the value of the Henley Underwriting & Investment Company Pty Limited shares held by the Company.



3. DESCRIPTION OF CURRENT INVESTMENTS continued

3.3 Illuminator Investment Company Limited

Background

The Company currently holds 25,409 fully paid ordinary shares in Illuminator Investment Company Limited and 200,000 options to subscribe for ordinary shares at 50 cents each exercisable on or before 5.00 pm on 15 December 2006.

The shares and options currently held by the Company represent an 8.90% holding in the issued capital of Illuminator Investment Company Limited upon a fully diluted basis.

Description of business

Illuminator Investment Company Limited is an investment company whose portfolio of investments currently consists predominantly of listed Australian securities. Illuminator Investment Company Limited has appointed Pritchards as its investment manager.

Illuminator Investment Company Limited's investment portfolio is managed with a view to having a minimum of 20 and a maximum of 40 different issuers securities in the portfolio. In making its investment decisions the company generally takes a medium to long term view with respect to investments (i.e. 3 to 5 years).

History

Illuminator Investment Company Limited was incorporated on 22 December 2003.

Upon completion of a successful capital raising Illuminator Investment Company Limited listed on the NSX on 18 June 2004. It was the first Newcastle based company to list on that exchange.

Investment Objectives

The investment objectives of Illuminator Investment Company Limited are as follows:

- To preserve the capital of the company;
- To achieve a high real rate of return in the form of income and capital growth; and
- To deliver investors a secure income stream in the form of fully franked dividends.

Investment Philosophy

The manager, in order to achieve the company's investment objectives, seeks to invest for the medium to long-term.

The manager's strategy is:

- To focus on the investment merits of individual stocks rather than market and economic trends;
- To invest in shares which it expects to yield dividends;
- To invest in securities which it assesses to be undervalued relative to their long term potential; and
- To have the securities of between 20 and 40 issuers represented in its portfolio.

The manager does not intend to follow the weightings of any index.

3. DESCRIPTION OF CURRENT INVESTMENTS continued

Risks

Some of the specific risks associated with an investment in Illuminator Investment Company Limited are as follows:

- The success and profitability of the company will depend in part upon the ability of the directors and the manager to invest in well-managed companies which increase in value over time.
- The market price of the companies investments can fall as well as rise.
- The company relies on a number of key personnel to make investment decisions, in particular Steven Pritchard and Daniel Di Stefano. The loss of any key employees may have a detrimental effect on the company.
- The manager's remuneration is based partly on a performance fee which may create an incentive for the manager to make investments on behalf of the company that are riskier or more speculative than would be the case if the fee were not based on the performance of the company.
- The portfolio is less diversified than that of other listed investment companies.
- The ability of the manager to continue to manage the portfolio in accordance with this Prospectus and the Corporations Act is dependent on the maintenance of the manager's AFS Licence Number 246712 and its continued solvency. Maintenance of the AFS licence depends, among other things, on the manager continuing to comply with the conditions of the licence conditions and the Corporations Act.
- The manager has the ability to transfer the management agreement to another manager as it sees fit which may change the personnel responsible for managing the portfolio of the company.

These risks and others not specifically referred to may materially affect the financial performance of Illuminator Investment Company Limited and the value of the Illuminator Investment Company Limited shares and options held by the Company.

3.4 Newcastle Deposit & Investment Company Limited Background

The Company currently holds four fully paid ordinary shares in The Newcastle Company Pty Limited. The shares held by the Company represent 40.00% of the issued share capital of The Newcastle Company Pty Limited. Newcastle Deposit & Investment Company Limited is a wholly owned subsidiary of The Newcastle Company Pty Limited.

Description of business

It is proposed that Newcastle Deposit & Investment Company Limited will provide finance for business and commercial purposes to approved customers, predominately in the Newcastle and Hunter Valley region.

Investments may also be made in other companies, trusts, fixed interest securities, mortgages and property.

The company intends to issue a prospectus and issue debentures to the public in order to provide additional funding for its activities.

History

Newcastle Deposit & Investment Company Limited was incorporated on 23 June 2002.

Since its establishment its only activity has been to lease various items of plant and equipment to Cameron Stockbrokers Limited.



3. DESCRIPTION OF CURRENT INVESTMENTS continued

Industry Environment

With the continued downsizing of the representation of the major banks in the Newcastle and Hunter Valley Region, Newcastle Deposit & Investment Company Limited will seek to create a more self-supporting financial community within the Newcastle and Hunter Valley region.

Newcastle Deposit & Investment Company Limited will seek to support the development of this region by:

- Providing investors with the opportunity to invest funds in a secure and conservatively managed company; and
- Offering a local alternative to banks as a provider of finance amongst its clients.

Currently there are no Newcastle based financial institutions that specialise in business finance.

Many other regional centres have successful locally based financial institutions that provide financial products such as those that Newcastle Deposit & Investment Company Limited proposes to provide.

Risks

Financial intermediation carries with it certain specific risks including the following:

- Credit risk, which is the risk of default in respect of the company's receivables portfolio;
- Liquidity risk, which is the risk that the company may not be able to meet depositors' withdrawals from available liquid funds because of differing maturity profiles of the company's assets and liabilities; and
- Interest rate risk, which is the risk that interest rate fluctuations may reduce the company's profitability.

- Section 283AA of the Corporations Act requires a company that issues debentures to the public to appoint a trustee for debenture holders. Newcastle Deposit & Investment Company Limited may not be able to secure the services of a trustee for debenture holders upon acceptable terms. The failure to secure the services of a trustee would result in Newcastle Deposit & Investment Company Limited being unable to accept deposits from the public, and its ability to grow its business would be restricted.

These risks and others not specifically referred to may materially affect the financial performance of Newcastle Deposit & Investment Company Limited and the value of The Newcastle Company Pty Limited shares held by the Company.

3.5 NSX Limited

Background

The Company currently holds the following securities in NSX Limited:

- 700,000 partly paid ordinary shares;
- 175,000 options exercisable on or before 28 August 2008 at 35 cents each; and
- 25,000 options exercisable on or before 30 June 2006 at \$1.00 each.

The partly paid ordinary shares were issued at 1 cent with 99 cents per share to pay. The terms of issue of these shares provide that a call cannot be made by NSX Limited except in the event of NSX Limited going into liquidation.

The shares and options held by the Company represent a 1.67% holding in the issued capital of NSX Limited upon a fully diluted basis.

3. DESCRIPTION OF CURRENT INVESTMENTS continued

Description of business

NSX Limited is the holding company of Stock Exchange of Newcastle Limited and Bendigo Stock Exchange Limited, each of which is the holder of an Australian Markets Licence allowing it to operate a stock exchange.

Stock Exchange of Newcastle Limited and Bendigo Stock Exchange Limited are two of the four currently operating stock exchanges in Australia. The others are Australian Stock Exchange Limited and Australian Pacific Exchange Limited.

History

The Newcastle Stock Exchange was established in 1937 following a meeting of local residents.

On 7 February 1972 Stock Exchange of Newcastle Limited was incorporated as a company limited by guarantee under the Companies Act 1961, with 13 members to conduct the business of the Exchange.

With the formation of ASX and the introduction of SEATS, trading in Australian Securities became more centralised, and by 1990 the Exchange was dormant.

In 1996, Steven Pritchard and the late Barry Rees developed a plan to revitalise the dormant Exchange for the listing of small, medium and regionally based companies.

The Exchange was officially reopened on 21 March 2000, with the first official meeting being held on 5 December 2000.

In 2004 NSX Limited completed a successful capital raising of \$12,000,000, which resulted in its fully paid ordinary shares being listed on ASX. In 2005 it acquired BSX Group Holdings Limited, the parent company of Bendigo Stock Exchange Limited.

Strategies

The NSX Limited business model relies heavily for its revenue on applications for listing of securities. When market conditions are buoyant, applications for listing are likely to rise and, conversely, when market conditions experience a downturn, applications for listing are also likely to fall.

Risks

Some of the specific risks associated with an investment in NSX Limited include the following:

- Increased competition could result in a reduced number of new listings. Despite the demonstrated ability of Stock Exchange of Newcastle Limited and Bendigo Stock Exchange Limited to compete effectively in the markets in which they operate, the approval of new Australian Market Licensees that attract significant listings could adversely affect NSX Limited's financial performance.
- NSX Limited is reliant on a number of key personnel. While there can be no assurance as to the continued availability of such key personnel, NSX Limited has put in place an appropriate employment contract with the General Manager with a three month notification period.
- NSX Limited's revenue is derived primarily from listing fees. A small number of bodies have played a significant role in directing companies intending to list to the stock exchanges controlled by NSX Limited. There is a risk of decreased revenue if one or more of these bodies ceases to refer listing applicants.



3. DESCRIPTION OF CURRENT INVESTMENTS continued

- NSX Limited's financial performance is sensitive to the level of activity within equity markets. The level of activity in these markets can be cyclical and depends upon a number of factors beyond the control of NSX Limited. When market conditions experience a downturn, applications for listings on any stock exchange, including NSX and BSX, are likely to fall.
 - NSX Limited may be affected by changes in government policy or legislation applying to companies in the financial products trading, clearing and settlement services industry. NSX and BSX's activities as operator of trading, clearing and settlement facilities are covered by the licensing and regulatory regime established under the Corporations Act. Some NSX and BSX activities would need to cease if either exchange were to have its licence restricted.
 - A participant of NSX or BSX may default on its obligations, particularly in circumstances of extreme movements in market prices. The risk management procedures of NSX and BSX are directed towards maintaining the risk of default at acceptably low levels.
 - While NSX and BSX make all reasonable efforts to operate their businesses in an appropriate manner, there is always the risk that NSX or BSX either exchange will be subject to liability claims by NSX or BSX participants who have suffered losses. Both NSX and BSX are afforded considerable protection against this risk by either the NSX's or BSX's rules.
 - As a requirement of their respective Australian Market Licences, both NSX and BSX maintain compensation arrangements to cover foreseeable claims. NSX and BSX are also afforded considerable protection against the risk of claims by their respective exchange rules. Nevertheless NSX and BSX are required to stand behind their compensation arrangements and to support those arrangements financially as required.
 - Information technology is integral to NSX's and BSX's operations. In common with many other technology based businesses, NSX is at risk of operational failure of the ASX SEATS system and ASTC and CHES settlement facilities. NSX's licence for the SEATS trading platform expires in October 2006 and there is a risk of operational failure if it does not implement a new trading platform by this time. NSX has a business continuity plan to ensure operational risks are minimised.
 - NSX and BSX's ability to compete effectively in the future will be driven, in part, by their ability to maintain an appropriate technology platform for the efficient delivery of their products and services. With rapid technology advances, NSX and BSX are exposed to the risk that their systems may become technologically obsolete while other exchanges develop systems which are superior from functionality and cost perspectives.
 - NSX Limited is reliant upon the continued supply of services by certain services providers, for example ASX, market participants and nominated advisers. Discontinuance of the provision of these services for any reason could significantly impact NSX Limited's profitability.
- These risks and others not specifically referred to may materially affect the financial performance of NSX Limited and the value of the NSX Limited securities held by the Company.

3. DESCRIPTION OF CURRENT INVESTMENTS *continued*

3.6 Winpar Holdings Limited

Background

The Company currently has the following interests in Winpar Holdings Limited's securities:

- 11,418 fully paid ordinary shares held directly;
- 61,429 fully paid ordinary shares held indirectly via Cameron Capital Limited Group; and
- 120,199 fully paid ordinary shares held indirectly via Henley Underwriting & Investment Company Pty Limited.

Together these shareholdings represent 6.92% of the issued capital of Winpar Holdings Limited.

Description of business

Since its incorporation Winpar Holdings Limited has carried on the business of investing in, and sub underwriting issues of, securities.

History

Winpar Holdings Limited was established as an unlisted public company in 1985 by Robert Cameron and the late Wallace Hore with an initial capital of \$135,805.

On 3 March 1994 the company made a 2 for 1 offer to shareholders, with shareholders subscribing for 285,380 new shares.

On 19 November 1996 the company issued a prospectus for a 1 for 5 offer to shareholders and a public offer of up to 1,000,000 shares. As a result of these offers the company raised additional capital of \$1,133,011.

Since 1996 the company's shareholders funds have continued to grow through a combination of the result of exercise of options, the reinvestment of dividends, and the retention of profits.

On 5 December 2000 the company was admitted to the official list of NSX.

Investment Objectives

Winpar Holdings Limited investment objective is to provide its shareholders with a high real rate of return, with an emphasis on capital growth over the longer term and without recourse to substantial debt. Returns are not guaranteed.

Investment Philosophy

Since its incorporation the Winpar Holdings Limited has operated primarily as a value investor, and over a long period has accumulated a diverse portfolio of listed and unlisted securities which it has perceived as having long term value. Most of these have been Australian securities, although more recently a proportion of them have been overseas securities, mainly shares in companies in the United Kingdom. The company has also developed a trading portfolio, although share trading has always been regarded as secondary to the company's overall investment strategy.

The company has relied primarily on equity rather than debt in the conduct of its business. It has however recently established a small portfolio of high yielding stocks which are supported by a margin loan.



3. DESCRIPTION OF CURRENT INVESTMENTS continued

For some years the company made reasonable profits from acquiring and holding strategic parcels of traditional preference shares in older companies but, following a change in the law early in 2000, many of the company's holdings of preference shares were compulsorily acquired by overseas corporations outside of the ordinary operation of the market place. Some of the company's resources were expended in opposing the acquisitions through the courts, but without success. The company is however continuing to seek new investment opportunities in companies which have been overlooked or which are outside the ordinary markets.

Risks

Some of the specific risks are associated with an investment in Winpar Holdings Limited are as follows:

- The success and profitability of the company depends in part on the ability of the directors to invest in well-managed companies which increase in value over time.
- The market price of the company's investments can fall as well as rise.
- The company relies on a number of key personnel, in particular Robert Cameron and Gordon Elkington. The loss of any key personnel, and in particular Robert Cameron and Gordon Elkington, may have a detrimental effect on the company.

- The company's portfolio is less liquid than that of other listed investment companies.

These risks and others not specifically referred to may materially affect the financial performance of Winpar Holdings Limited and the value of the Winpar Holdings Limited shares held by the Company. Risks associated directly with the business of the Company are identified in Section 6 of this Prospectus.

4. DIRECTORS

4.1 Steven Pritchard, B Com, CPA, ASIA - Chairman

Steven Pritchard obtained a Bachelor of Commerce Degree from the University of Newcastle in 1986, and qualified as a Certified Practising Accountant in 1988.

He has been providing investment advice as a representative of a licensed dealer in securities since 1988.

He completed the Graduate Diploma in Applied Finance and Investment and was admitted as an Associate of the Securities Institute of Australia in 1993.

In 1996 he was admitted as a member of NSX, and was instrumental in establishing Pritchards to provide investment advice to clients of Rees Pritchard Pty Limited.

He was a director of NSX from 1996 to 2003 and Chairman from 2000 to 2003. During that time he was responsible for developing the strategic plan which saw the renaissance of NSX as a capital market for small, medium and regionally based companies.

In 2002 he was responsible for the establishment of Cameron Capital Limited, which acquired the ASX Participating Organisation Cameron Stockbrokers Limited. He remains the current Executive Chairman of the Cameron Capital Limited Group.

In 2003 he was appointed to the board of Winpar Holdings Limited, which was the first company to list on the rejuvenated NSX.

In 2004 he was jointly responsible with Daniel Di Stefano for a successful capital raising for and the listing of Illuminator Investment Company Limited on NSX. Illuminator Investment Company Limited became both the first Newcastle based company to list on NSX, and the first Newcastle based listed institutional investor.

He is a director of Florin Mining Investment Company Limited, which undertook a capital raising and listed on NSX in 2005.

He is a past Branch Councillor and Chairman of CPA Australia, and received the Presidents Award in 2000 for outstanding contributions to CPA Australia.

The Board anticipates that Steven Pritchard will make available an average time of 20 hours per month to the affairs of the Company.

4.2 Robert Franklin Cameron - Director

Robert Cameron has been involved in the securities industry for over 30 years.

He initially commenced in stockbroking in 1970 as a trading floor operator with the firm of John Sweeney & Co.

By 1984, as well as operating on the trading floor of the Sydney Stock Exchange Limited, he was providing advice to a range of private and institutional clients.

In 1985 he was appointed a director of Frank Renouf Brokers Pty Limited, where he was to be responsible for trading floor operations and for advising both private and institutional clients of the firm.

In 1986, together with the late Wallace Hore, he was responsible for the establishment of the listed investment company Winpar Holdings Limited.

From 1988 to 1990, he was Head of Dealing for the Sydney office of Smith New Court Australia Limited, which was the Australian arm of the international stockbroking firm, Smith New Court plc.

From 1990 to 1993, he was the Managing Director of Auspac Securities Limited, a Member Firm of ASX, where he was responsible for all facets of the operation of the firm.



4. DIRECTORS continued

He was admitted as a member of ASX and as an Affiliate of the Securities Institute of Australia in 1991.

In 1993 he was responsible for the establishment of Cameron Securities, the predecessor firm of the present Cameron Stockbrokers Limited, of which he is the managing director.

In 2000, he was admitted as an affiliate of NSX.

He is a director of Florin Mining Investment Company Limited, which undertook a capital raising and listed on NSX in 2005.

The Board anticipates that Robert Cameron will make available an average time of 10 hours per month to the affairs of the Company.

4.3 Gordon Bradley Elkington, BSc, MSc, PhD, LL.M – Director

Gordon Elkington is a Barrister of the Supreme Court of New South Wales and has been a successful private investor for many years.

He is a director and company secretary of Winpar Holdings Limited, a public investment company listed on the NSX, a director of Stokes (Australasia) Limited and a member of the New South Wales Legal Qualifications Committee.

He was formerly a Senior Lecturer In Law and earlier a Lecturer in Pure Mathematics at the University of Sydney.

The Board anticipates that Gordon Elkington will make available an average time of 5 hours per month to the affairs of the Company.

4.4 Enzo Pirillo, B Com, CPA, ASIA – Director and Secretary

Enzo Pirillo obtained a Bachelor of Commerce Degree from the University of Newcastle in 1994 and qualified as a Certified Practising Accountant in 1996.

He was an authorised representative of Pritchards from 7 March 2002 to 10 March 2004.

In 2004 he completed the Graduate Diploma in Applied Finance and Investment and was admitted as an Associate of the Securities Institute of Australia.

Enzo has worked in a number of senior accounting positions both in public practice and commerce.

Enzo is currently the financial controller and company secretary of Cameron Capital Limited.

He is a director of Cameron Capital Limited, Newcastle Deposit & Investment Company Limited, Newcastle Capital Markets Proprietary Limited, Newcastle Capital Markets Registries Pty. Limited and Australian Derivative Registries Pty. Limited.

The Board anticipates that Enzo Pirillo will make available an average time of 10 hours per month to the affairs of the Company.

4.5 Corporate Governance

The Board has the responsibility of ensuring that the Company is properly managed so as to protect and enhance Shareholders' interests in a manner that is consistent with the Company's responsibility to meet its obligations to all the parties with which it interacts. To this end, the Board has adopted what it believes to be appropriate corporate governance policies and practices having regard to its size and the nature of its activities.

The main corporate governance policies are summarised below.

Appointment and Retirement of Non-Executive Directors

It is the Board's policy to determine the terms and conditions of the appointment and retirement of non-executive directors on a case by case basis and in conformity with the requirements of the Listing Rules and the Corporations Act.

4. DIRECTORS continued

Directors' Access to Independent Professional Advice

It is the Board's policy that any director or committee established by the Board should:

- be entitled to obtain independent professional or other advice at the cost of the Company, unless the Board determines otherwise;
- be entitled to obtain such resources and information from the Company, its employees and advisers as they may require; and
- act in accordance with terms of reference established by the Board.

Audit Committee

The Audit Committee intends to meet with the external auditors at least twice a year. This committee will address the financial and compliance oversight responsibilities of the Board. Specific activities will include assessing and monitoring:

- The adequacy of the Company's internal controls and procedures to ensure compliance with all applicable legal obligations;
- The adequacy of the Company's financial risk management processes; and
- Any reports prepared by the external auditor.

4.6 Privacy Statement

The Company will only collect personal information which is necessary for any products or services requested. The information it collects from an Applicant on the Application Form is required to process the Application or to comply with relevant laws. If the personal information which is requested, is not provided, the Company may not be able to provide a service, or may be required by law to follow particular courses of action such as deducting taxation at the top marginal rate and the Medicare Levy.

The Company may use personal information to send security holders information about other investment products. If at any time an Applicant receives information from the Company, about other products and does not wish to receive further correspondence, the Company should be advised. An Applicant can also tell the Company if they do not wish to receive this information from the outset on the Application Form. The Company may also disclose information about security holders to third party service providers who assist the Company in its business operations and with the provision of services.

On request, the Company will provide security holders with a copy of any personal information which it holds about them. There may be a charge associated with providing this information.

Further information about the Company's privacy practices can be found by requesting a copy of its privacy policies.

If you have any queries please contact the Company Secretary, Enzo Pirillo, on 02 4920 2877 or by email to enzo_pirillo@reespritchard.com.au.



5. FINANCIAL INFORMATION

5.1 Pro-Forma Consolidated Statements of Financial Position

The pro-forma Consolidated Statements of Financial Position as at 30 June 2005, as set out below, have been prepared in order to provide intending investors and their advisors with information to assist in their assessment of the assets and liabilities of the Company.

	Note	30 June 2005 Unaudited \$	Pro forma Minimum Subscription \$	Pro forma Maximum Subscription \$
CURRENT ASSETS				
Cash	5.3	14,343	222,333	941,833
TOTAL CURRENT ASSETS		14,343	222,333	941,833
NON-CURRENT ASSETS				
Investments	5.4	928,319	928,319	928,319
TOTAL NON-CURRENT ASSETS		928,319	928,319	928,319
TOTAL ASSETS		942,662	1,150,652	1,870,152
CURRENT LIABILITIES				
Payables		212	212	212
Current tax liabilities		417	417	417
TOTAL CURRENT LIABILITIES		629	629	629
NON-CURRENT LIABILITIES				
Deferred tax liabilities		206,305	206,305	206,305
TOTAL NON-CURRENT LIABILITIES		206,305	206,305	206,305
TOTAL LIABILITIES		206,934	206,934	206,934
NET ASSETS		735,728	943,718	1,663,218
EQUITY				
Contributed equity	5.5	252,973	460,963	1,180,463
Reserves	5.6	481,379	481,379	481,379
Retained profits		1,376	1,376	1,376
TOTAL EQUITY		735,728	943,718	1,663,218

5. FINANCIAL INFORMATION continued

5.2 Proposed Accounting Policies and Notes to Accounts

A summary of significant accounting policies which have been adopted in the preparation of the pro forma Consolidated Statements of Financial Positions set out in Section 5.1 or which will be adopted and applied in the preparation of the financial statements of the Company for the year ended 30 June 2005 and subsequent years are as follows.

(a) Basis of preparation of accounts

The financial statements are a general purpose financial report that has been prepared in accordance with applicable accounting standards and other mandatory professional reporting requirements and the Corporations Act. The Statements of Financial Position are prepared from the records of the Company on an accruals basis. They are based on historical costs and do not take into account changing money values or, except where specifically stated, current valuations of non-current assets.

(b) Investments

Listed shares and securities are valued at market value as quoted on the relevant financial market. Non listed shares and securities are valued at their estimated market value. Revaluations are credited directly to the asset revaluation reserve after deducting a provision for potential deferred capital gains tax.

(c) Revenue recognition

Dividends and distributions are brought to account on the date that the shares or units are traded "ex dividend". Interest income is brought to account on an accruals basis.



5. FINANCIAL INFORMATION continued

	30 June 2005 Unaudited \$	Pro forma Minimum Subscription \$	Pro forma Maximum Subscription \$
5.3 Cash			
Cash	14,343	14,343	14,343
Proceeds from issue of shares following the Offer		250,000	1,000,000
Payment of offer costs		42,010	72,510
Pro-forma cash assets at 30 June 2005	14,343	222,333	941,833
5.4 Investments			
Listed			
Illuminator Investment Company Limited - Shares	11,942	11,942	11,942
Illuminator Investment Company Limited - Options	7,000	7,000	7,000
Winpar Holdings Limited	12,560	12,560	12,560
	31,502	31,502	31,502
Unlisted			
Cameron Capital Limited - Shares	540,000	540,000	540,000
Henley Underwriting & Investment Company Pty Limited - Shares	73,138	73,138	73,138
NSX Limited - Partly Paid Ordinary Shares	231,000	231,000	231,000
NSX Limited - June 2006 Options	875	875	875
NSX Limited - August 2008 Options	51,800	51,800	51,800
The Newcastle Company Pty Limited - Shares	4	4	4
	896,817	896,817	896,817
	928,319	928,319	928,319
5.5 Contributed Equity			
Contributed Equity at 30 June 2005	252,973	252,973	252,973
Proceeds from issue of shares under the Offer		250,000	1,000,000
Costs of the Offer		42,010	72,510
Pro forma Contributed Equity at 30 June 2005	252,973	460,963	1,180,463

5. FINANCIAL INFORMATION continued

	Number of A Ordinary Shares	Number of B Ordinary Shares	Number of C Ordinary Shares
5.5 Contributed Equity			
Issued capital as at 30 June 2005	289,230	250,000	250,000
Minimum subscription	125,000	125,000	-
Pro-forma issued capital	414,230	375,000	250,000
Issued capital as at 30 June 2005	289,230	250,000	250,000
Maximum subscription	500,000	500,000	-
Pro-forma issued capital	789,230	750,000	250,000
	30 June 2005 Unaudited \$	Pro forma Minimum Subscription \$	Pro forma Maximum Subscription \$
5.6 Reserves			
Asset Revaluation Reserve	481,379	481,379	481,379
	Subscription of \$250,000	Subscription of \$500,000	Subscription of \$1 million
5.7 Expenses of the Offer			
The expenses of the Offer are estimated below, according to the level of subscription for the Issue:			
Handling fees on subscription	10,000	20,000	40,000
ASIC fees	2,010	2,010	2,010
NSX listing fees	5,000	5,500	5,500
Legal fees	10,000	10,000	10,000
Accounting fees	5,000	5,000	5,000
Other costs	10,000	10,000	10,000
Total estimated costs	42,010	52,510	72,510



5. FINANCIAL INFORMATION continued

5.8 Share Capital Account Reconciliation

During the financial year ended 30 June 2005 the following changes occurred in respect of the issued capital of the Company:

Date	Transaction	\$	Ordinary Shares	A Ordinary Shares	B Ordinary Shares	C Ordinary Shares
01/07/2004	Issued Capital	10,000	100,000			
14/06/2004	Issue - 1,500,000 ordinary shares to Pritchard Continuation Proprietary Limited	150,000	1,500,000			
21/06/2005	Issue - 100,000 ordinary shares to Lateral Investment Corporation Pty Limited	10,000	100,000			
21/06/2005	Issue - 100,000 ordinary shares to Pritchard & Company Pty Limited	10,000	100,000			
21/06/2005	Issue - 600,000 ordinary shares to Pritchard & Company Pty Limited	60,000	600,000			
21/06/2005	Issue - 100,000 ordinary shares to Pritchard & Company Pty Limited	10,000	100,000			
22/06/2005	Consolidation of ordinary share capital	--	(1,750,000)			
23/06/2005	Division of share capital into A Ordinary Shares, B Ordinary Shares and C Ordinary Shares	--	(750,000)	250,000	250,000	250,000
28/06/2005	Issue to Pritchard & Partners Pty Limited 8,874 A Ordinary Shares	2,625		7,836		
28/06/2005	Issue 106 A Ordinary Shares to Steven Pritchard	36		106		
28/06/2005	Issue 932 A Ordinary Shares to Pritchard & Company Pty Limited	312		932		
29/06/2005	Bonus issue of A Ordinary Shares			30,356		
30/06/2005	Balance	252,973	0	289,230	250,000	250,000

6. RISK FACTORS

6.1 General Risk Factors

The following matters, as well as others described elsewhere in this Prospectus, should be carefully considered in evaluating the Company and its prospects:

- No guarantee can be given in respect of the future earnings of the Company or the earnings or capital appreciation of the Company's investments.
- The success and profitability of the Company will depend in part upon the ability of the Directors to invest in well-managed companies which increase in value over time.
- The future earnings of the Company and the value of its investments may be materially affected by the general economic climate and other factors beyond the control of the Company including, but not limited to, variations in:
 - i. legislation and government policies;
 - ii. taxation laws;
 - iii. exchange rates;
 - iv. short and long term interest rates; and
 - v. commodity prices.
- The market price of investments that the Company has purchased can fall as well as rise.
- The Company relies on a number of key personnel, in particular Steven Pritchard. The loss of any key employees, in particular Steven Pritchard, may have a detrimental effect on the Company.
- While borrowing to invest has the potential to increase the returns on investments, the borrowing or gearing of an investment portfolio can also multiply the effects of falls in the value of investments. For example, if the Company borrowed a sum equivalent to three times its Shareholders equity, and the value of the investment portfolio as a whole fell by 25%, then Shareholders equity would be reduced to nil.
- The price at which Shares are traded on NSX may be below the net asset backing of those Shares. The constitution of the Company does not entitle Shareholders to require the Directors to implement any share buy-back or capital reconstruction or to take any other remedial action.
- Operational costs for the Company as a proportion of total assets will be affected by the level of total assets of the Company and by the level of acceptance of this Offer. Operational costs may represent a greater proportion of total assets and may reduce the Company's capacity to make dividend payments if the Company only achieves the minimum subscription under this Offer.
- The size of the portfolio will affect the risk profile of the portfolio. The Company may not be able to diversify its investments and so manage its risks as efficiently if it only achieves the minimum subscription under this Offer. However the risk of loss of investments included in the portfolio will not necessarily be reduced if the level of acceptance under this Offer exceeds the minimum subscription. Effective risk management depends on a range of factors including diversification of investments.
- Investors are strongly advised to regard any investment in the Company as a medium to long term proposition and to be aware that as with any equity investment substantial fluctuations in the value of their investment may occur.

These risks are not exhaustive. Potential investors should read this Prospectus in full and, if they require further information on material risks, they should seek professional advice.



6. RISK FACTORS continued

6.2 Investor Considerations

Before deciding to subscribe for the Security Parcels, Applicants should consider whether these are a suitable investment. There are general risks associated with any investment in the stock market. The value of shares and options can go up or down due to circumstances affecting the stock market generally or any company in particular, or for other reasons beyond the control of the Company. Similarly, the level of dividends paid in respect of the shares can go down as well as up. Shares should generally not be considered a short term investment.

There may be tax implications arising from the Application for Security Parcels, the receipt of dividends (either franked and unfranked) from the Company, participation in the Dividend Re-investment Plan, participation in any on-market share buy-back, or the disposal of shares or options. Applicants should carefully consider these tax implications and obtain advice from an accountant or other professional tax adviser in relation to the application of tax legislation.

If Applicants are in doubt as to whether they should subscribe for Security Parcels, they should seek advice on the matters contained in this Prospectus from a stockbroker, solicitor, accountant or other professional adviser.

7. TAXATION REPORT

25 November 2005

The Directors,
Pritchard Equity Limited,
10 Murray Street
HAMILTON NSW 2303

Dear Sirs

TAXATION REPORT

This report has been prepared for inclusion in the Prospectus in relation to the offering of shares and options in Pritchard Equity Limited ("the Company").

This report deals with the income tax issues that will arise in relation to investors who are a resident of Australia for tax purposes and who subscribe for shares and options in Pritchard Equity Limited.

1. Scope of Report

This report is general in nature. Investors should seek appropriate independent professional advice that considers the tax implications in respect of their specific circumstances. We disclaim all liability to any investor or other party for all costs, loss, damage and liability that the shareholder or other party may suffer, or incur, arising from, or relating to, or in any way connected with the contents of this report, or the provision of this report to the investor, or other party, or the reliance on this report by the shareholder or other party.

The views expressed in this report are based upon the relevant Australian taxation laws, as at the date of this report, which are subject to change. If there is a change, including a change having retrospective effect, in any of the legislation or in the prevailing judicial interpretations referred to in this report, this report would need to be re-evaluated. We have no responsibility to update this report for events, transactions, circumstances or changes in any facts, assumptions or representations occurring after the date of the report.

2. Taxation of Dividends

Dividends are generally paid to shareholders from the accounting profits of the Company. Shareholders will receive franking credits to the extent that Australian company tax has been paid



Rees Pritchard Pty Limited
ABN 25 003 875 349

Director:
Steven S. Pritchard B Com, CPA, ASIA

Associates:
Margaret J. Glenn B Fin Admin CPA, ASIA
Daniel Di Stefano B Com, CPA
Brett A. Hall B Com, CPA



Liability is limited by the
Accountants Scheme
approved under the
Professional Standards
Act 1994 (NSW).



7. TAXATION REPORT continued

on these profits. The definition of dividend for Australian income tax purposes is broad and can include all or part of the proceeds of a capital return or share buy-back.

The entitlement of shareholders to a “tax offset” (broadly, a reduction in tax payable) in relation to franked dividends is subject to detailed tax rules, which are not detailed in this report.

One such rule provides that if shareholders have held their Shares for at least 45 days (excluding the dates of acquisition and disposal), they should be able to claim a tax offset for the amount of any franking credits attaching to the dividend. The “45 day rule” contains other tests which must be satisfied to be entitled to the tax offset.

Investors should seek their own advice in relation to their specific circumstances in determining whether they are able to claim a tax offset in relation to dividends received. The Comments below are on the basis that shareholders are entitled to a tax offset.

2.1. Individual Shareholders

Individual shareholders are required to include dividends in their assessable income in the year in which the dividend is paid. In addition, to the extent that the dividends are franked, the franking credits attaching to the dividend must also be included in assessable income (ie the dividend is grossed-up).

Individual shareholders are taxed at their prevailing marginal rate on the dividend and franking credits received.

Individual shareholders will be entitled to a tax offset equal to the amount of franking credits received. Individual shareholders will receive a tax benefit if the franking credits attached to the dividend exceed their tax payable on the dividend. Individual shareholders will need to pay additional tax if their tax payable on the dividend exceeds the franking credits attached to the dividend. Individual shareholders are entitled to claim a refund of any excess franking credits.

To the extent that the dividend is unfranked, there is no gross-up and individual shareholders should generally be taxed at their prevailing marginal rate on the dividend received, with no tax offset.

2.2. Company Shareholders

Company shareholders are required to include dividends in their assessable income in the year the dividend is paid. In addition, to the extent that the dividends are franked, then the franking credits attaching to the dividend must also be included in assessable income (ie the dividend is grossed-up).

Company shareholders may be entitled to a tax offset equal to the amount of franking credits received. This would result in the dividend being free of further company tax to the extent that it is franked. A fully franked dividend would effectively be tax free to a company shareholder.

To the extent that the dividend is unfranked, there is no gross-up and company shareholders would generally be taxed at the corporate tax rate on the dividend received, with no tax offset.

Company shareholders are also entitled to a franking credit in their franking account equal to the franking credit attaching to the dividend. Company shareholders can then use the credit to make franked distributions to their own shareholders.

7. TAXATION REPORT continued

2.3. Complying Superannuation Fund Shareholders

In general terms, superannuation funds treat the receipt of a dividend in the same way as individuals outlined in section 2.1 above.

3. Taxation of Share Disposals

3.1. Revenue Account

Shareholders who trade their shares in the ordinary course of their business and/or hold their shares on revenue account must include any gains or losses made on the disposal of their shares in calculating their taxable income.

3.2. Capital Account

Shareholders not included in section 3.1 above, will hold their shares on capital account. These shareholders must consider the impact of the Australian Capital Gains Tax (CGT) rules on the disposal of their shares.

A shareholder will derive a capital gain on the disposal of their shares where the CGT proceeds received on disposal exceeds the CGT cost base of the particular shares. The CGT cost base would generally be equal to the issue price of the shares and any incidental costs of the acquisition.

A shareholder incurs a capital loss on the disposal of their shares where the capital proceeds received on disposal are less than the cost base of their shares for CGT purposes.

Capital gains and losses for the income year are added together to produce a net capital gain for that income tax year. A net capital gain for an income tax year is included in the shareholder's assessable income and is subject to taxation in Australia. A net capital loss is effectively quarantined and may generally be carried forward to be deducted against future capital gains.

3.3. Capital Gains Tax Concession

Individual shareholders may be entitled to a concession on the amount of CGT assessed. The concession is available to all individual shareholders who hold their shares for at least twelve months prior to disposal. The concession results in only 50% of any capital gain being assessable. Capital losses must be applied first to reduce capital gains before applying the discount.

The CGT treatment of Australian complying superannuation funds is, in general, the same as that set out for individuals, except the CGT discount is one-third rather than 50%.

There is no concession available to company shareholders.

4. Taxation of Option Disposals

Any gains on disposal of the options will either give rise to ordinary income (if held on revenue account) or to a capital gain (if held on capital account).

The options issued under the Prospectus are being issued for no consideration. Accordingly, those options will not have a cost base for CGT purpose and as a result a capital loss can not arise for the option holder on the future disposal of the option.



7. TAXATION REPORT continued

Individual shareholders and complying superannuation funds may be entitled to a concession on the amount of any CGT assessed on the sale of the Option. The requirements for obtaining the concession are outlined in section 3.3 above.

4.1. Exercise of Options

On exercise of the option, the option holder will be required to pay the exercise price to the company in return for the issue of one A ordinary share in the Company. On exercise of the option, any capital gain that would ordinarily arise for the shareholder will be disregarded for Australian tax purposes. The amount paid by the option holder to exercise the option will form part of the cost base of the newly acquired share.

The tax consequences for the disposal of the share acquired upon exercising the option are outlined in section 3 above.

Individual shareholders and complying superannuation funds may be entitled to a concession on the amount of any CGT assessed on the subsequent sale of the share. The requirements for obtaining the concession are outlined in section 3.3 above. For the purposes of determining a shareholder's entitlement to the concession, a shareholder is taken to have acquired the share on the date of exercise of the option.

Yours faithfully
REES PRITCHARD PTY. LIMITED

A handwritten signature in cursive script, appearing to read 'M Glenn', is written in black ink.

MARGARET GLENN
ASSOCIATE DIRECTOR

8. MATERIAL CONTRACTS

The Company has entered into contracts prior to the date of this Prospectus which are or may be material.

A summary of the material contracts and their substantive terms are set out below;

8.1 Deeds of Access and Indemnity

Parties

The Company and each Director.

Access

The Company has agreed to provide access to board papers to current and former Directors of the Company while they are officers and for a period of seven years after they cease to be Directors.

Indemnity

The Company has agreed to indemnify, to the extent permitted by the Corporations Act, each Director in respect of certain liabilities which the Director may incur as a result of, or by reason whether solely or in part of, being or acting as a Director of the Company.

The Company may also maintain in favour of each Director of the Company a directors' and officers' policy of insurance for the period that they are a Director and for a period of seven years after they cease to be a Director.

8.2 Constitution

The Constitution governs the Company. Relevant provisions of the Constitution are described elsewhere in this Prospectus (in particular, see sections 9.3 to 9.9). Copies of the Constitution are available for inspection free of charge between 9:00 am and 5:00 pm at the Company's registered office.



9. ADDITIONAL INFORMATION

9.1 Incorporation

The Company was incorporated on 10 May 2002 and was converted to a public company on 4 November 2005.

9.2 Balance Date and Company Tax Status

The accounts for the Company will be made up to 30 June annually.

It is expected that the Company will be taxed as a public company.

9.3 Rights Attaching to the Shares

The shares to be allotted will be fully paid shares. There will be no liability on the part of Shareholders for any calls and each share will rank equally with other shares of the same class currently on issue.

Detailed provisions relating to the rights attaching to the shares are set out in the Company's constitution and the Corporations Act. A copy of the constitution can be inspected during office hours at the registered office of the Company.

Detailed provisions relating to the rights attaching to shares under the constitution and the Corporations Act are summarised below:

- All ordinary shares will rank equally inter se for all purposes of participation in profits or capital of the Company.
- Each A Ordinary Share will confer on its holder the right to receive notices, reports and accounts and to attend and speak, but not to vote, at general meetings of the Company.
- Each B Ordinary Share will confer on its holder the right to receive notices, reports and accounts and to attend, speak and vote at general meetings of the Company.
- Each C Ordinary Share will confer on its holder:

- (a) the right to receive notices, reports and accounts and to attend, speak and vote at general meetings of the Company; and
- (b) the right to convert one C Ordinary Share into one B Ordinary Share by notice in writing to the Company.

Subject to the Corporations Act and the Listing Rules, the A Ordinary Shares and the B Ordinary Shares are fully transferable. The Directors may in their absolute discretion refuse to register any transfer of C Ordinary Shares without assigning any reason for the refusal.

The rights attaching to Shares may be varied with the approval of Shareholders in general meeting and class meetings by special resolution.

9.4 Rights Attaching to Series 1 Options

The terms and conditions of Series 1 Options are as follows:

Entitlement

A Series 1 Option entitles the holder upon exercise to One A Ordinary Share

Transfer/Transmission

Subject to the Corporations Act and the Listing Rules, the Series 1 Options are fully transferable.

Exercise

Series 1 Options may be exercised by delivery to the Company of a duly completed Notice of Exercise of Options, signed by the registered holder, together with payment to the Company of \$1.25 per Series 1 Option exercised.

Series 1 Options must be exercised in multiples of 1,000 unless the option holder exercises all of their Series 1 Options at the same time.

A Series 1 Option may be exercised on any time from the date of grant to 10 December 2008 (inclusive) but not thereafter.

9. ADDITIONAL INFORMATION *continued*

Dividend Entitlement

Series 1 Options do not carry any dividend entitlement. A Ordinary Shares issued on exercise of Series 1 Options rank equally with other issued A Ordinary Shares of the Company ten Business Days after their date of issue and are entitled to dividends paid on and from this date.

Participating rights

A Series 1 Option holder may only participate in new issues of Securities to holders of A Ordinary Shares in the Company if the Series 1 Option has been exercised and A Ordinary Shares allotted in respect of the Series 1 Option before the record date for determining entitlements to the issue. The Company will give at least ten Business Days notice to Series 1 Option holders of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.

If there is a bonus issue to the holders of A Ordinary Shares each option holder shall receive upon exercise of this option the number of A Ordinary Shares to which they would be entitled if they had exercised the options before the record date for the bonus issue or the record date before the first issue if there are more than one bonus issue.

Reconstructions and Alteration of Capital

Any adjustment to the number of outstanding Series 1 Options and the Exercise Price under a re-organisation of the Company's share capital must be made in accordance with the Listing Rules.

NSX Listing

The Company will make application for quotation of Shares issued on exercise of the Series 1 Options on the NSX in accordance with the Listing Rules. A Ordinary Shares so issued will rank equally with other issued A Ordinary Shares of the Company.

9.5 Rights Attaching to the Series 2 Options

The terms and conditions of the Series 2 Options are as follows:

Entitlement

A Series 2 Option entitles the holder upon exercise to One A Ordinary Share

Transfer/Transmission

Subject to the Corporations Act and the Listing Rules, Series 2 Options are fully transferable.

Exercise

Series 2 Options may be exercised by delivery to the Company of a duly completed Notice of Exercise of Options, signed by the registered holder, together with payment to the Company of \$2.50 per Series 2 Option exercised.

Series 2 Options must be exercised in multiples of 1,000 unless the option holder exercises all of their Series 2 Options at that time.

A Series 2 Option may be exercised on any time from the date of grant to 10 December 2010 (inclusive) but not thereafter.

Dividend Entitlement

Series 2 Options do not carry any dividend entitlement. A Ordinary Shares issued on exercise of Series 2 Options rank equally with other issued A Ordinary Shares of the Company ten Business Days after their date of issue and are entitled to dividends paid on and from this date.

Participating rights

A Series 2 Option holder may only participate in new issues of Securities to holders of A Ordinary Shares in the Company if the Series 2 Option has been exercised and A Ordinary Shares allotted in respect of the Series 2 Option before the record date for determining entitlements to the issue. The Company will give at least ten Business Days notice to Series 2 Option holders of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.



9. ADDITIONAL INFORMATION continued

If there is a bonus issue to the holders of A Ordinary Shares each option holder shall receive upon exercise of this option the number of A Ordinary Shares to which they would be entitled if they had exercised the options before the record date for the bonus issue or the record date before the first issue if there are more than one bonus issue.

Reconstructions and Alteration of Capital

Any adjustment to the number of outstanding Series 2 Options and the Exercise Price under a re-organisation of the Company's share capital must be made in accordance with the Listing Rules.

NSX Listing

The Company will make application for quotation of shares issued on exercise of the Series 2 Options on the NSX in accordance with the Listing Rules.

A Ordinary Shares so issued will rank equally with other issued A Ordinary Shares of the Company.

9.6 Rights Attaching to the Series 3 Options

The terms and conditions of the Series 3 Options are as follows:

Entitlement

A Series 3 Option entitles the holder upon exercise to One A Ordinary Share

Transfer/Transmission

Subject to the Corporations Act and the Listing Rules, Series 3 Options are fully transferable.

Exercise

Series 3 Options may be exercised by delivery to the Company of a duly completed Notice of Exercise of Options, signed by the registered holder, together with payment to the Company of \$5.00 per Series 3 Option exercised.

Series 3 Options must be exercised in multiples of 1,000 unless the option holder exercises all of their Series 3 Options at that time.

A Series 3 Option may be exercised on any time from the date of grant to 10 December 2015 (inclusive) but not thereafter.

Dividend Entitlement

Series 3 Options do not carry any dividend entitlement. A Ordinary Shares issued on exercise of Series 3 Options rank equally with other issued A Ordinary Shares of the Company ten Business Days after their date of issue and are entitled to dividends paid on and from this date.

Participating rights

A Series 3 Option holder may only participate in new issues of Securities to holders of A Ordinary Shares in the Company if the Series 3 Option has been exercised and A Ordinary Shares allotted in respect of the Series 3 Option before the record date for determining entitlements to the issue. The Company will give at least ten Business Days notice to Series 3 Option holders of any new issue before the record date for determining entitlements to the issue in accordance with the Listing Rules.

If there is a bonus issue to the holders of A Ordinary Shares each option holder shall receive upon exercise of this option the number of A Ordinary Shares to which they would be entitled if they had exercised the options before the record date for the bonus issue or the record date before the first issue if there are more than one bonus issue.

Reconstructions and Alteration of Capital

Any adjustment to the number of outstanding Series 3 Options and the Exercise Price under a re-organisation of the Company's share capital must be made in accordance with the Listing Rules.

NSX Listing

The Company will make application for quotation of shares issued on exercise of the Series 3 Options on the NSX in accordance with the Listing Rules.

A Ordinary Shares so issued will rank equally with other issued A Ordinary Shares of the Company.

9. ADDITIONAL INFORMATION continued

9.7 Dividend Re-Investment Plan

The Company will establish and maintain a Dividend Re-imbursement Plan. The Plan will operate as described below.

Eligible Shareholders

Shareholders whose address, as it appears in the register of members of the Company, is situated in Australia, may participate in the Plan.

Application

Eligible Shareholders may elect to participate in the Plan in respect of some or all of their Shares in the Company. The Directors may in their absolute discretion accept or refuse any application to participate.

Subscription Price

Shares allotted to participants in the Plan will be allotted at the weighted average market price of Shares sold on NSX on the books' closing date for the relevant dividend and the three trading days preceding that date. If no trading occurs during the three days preceding the books' closing date, the shares will be allotted at the price the Directors deem to be fair and reasonable in the circumstances.

Investment of Dividends

In respect of each cash dividend from time to time due and payable to a participant in the Plan in respect of the member's shares, the Directors will on behalf of and in the name of the participant subscribe for shares being the maximum number of shares which could be acquired by the application of that participant's entitlement to dividends in respect of the participating shares to the subscription for shares at the subscription price.

Ranking of Shares

All shares allotted and issued under the Plan will rank equally in all respects with existing Shares of the same class.

NSX Listing

The Company will make application after each allotment of shares for quotation of such shares on the official list of the NSX.

Variation or Termination of Participation

A participant may apply to increase or decrease the number of shares which participate in the Plan, which the Company may in its absolute discretion approve or refuse. A participant may at any time terminate participation in the Plan by notice in writing to the Company.



9. ADDITIONAL INFORMATION continued

9.8 Matters Relevant to the Directors

The number of Securities held by or on behalf of each Director and their Associates at the date of this Prospectus are as follows:

Director	A Ordinary Shares	B Ordinary Shares	C Ordinary Shares	Series 1 Options	Series 2 Options	Series 3 Options
Robert Franklin Cameron	0	0	0	25,000	12,500	12,500
Gordon Bradley Elkington	0	0	0	25,000	12,500	12,500
Enzo Pirillo	0	0	0	50,000	25,000	25,000
Steven Shane Pritchard	289,230	250,000	250,000	177,230	88,615	88,615

None of the Directors have any interests in the Securities of the Company other than those listed above.

9.9 Remuneration of Directors

Under the Company's Constitution, each Director (other than a Managing Director or an Executive Director) may be paid remuneration for ordinary services performed as an employee.

The Directors will be entitled to receive the following:

- the maximum total remuneration of the Directors of the Company has been set at A\$80,000 per annum to be divided amongst them in such proportions as they agree; and
- the Directors have agreed to waive any fee to which they would otherwise be entitled in their capacity as a director until the earlier of a period of two years from the date of this Prospectus or until such time as the total assets of the Company exceed \$1,500,000.

Under the Company's constitution the maximum fees payable to Directors may not be increased without prior approval of the Shareholders at a general meeting.

9.10 Related Party Transactions

As at the date of this Prospectus, the Company is a party to transactions with related parties as described below:

(a) Robert Cameron:

- Robert Cameron is a director of each of Cameron Capital Limited, Cameron Stockbrokers Limited, Henley Underwriting & Investment Company Pty Limited and Winpar Holdings Limited.
- Robert Cameron and/or Associates hold shares in Cameron Capital Limited, Illuminator Investment Company Limited and Winpar Holdings Limited.
- Robert Cameron and/or Associates are option holders of Illuminator Investment Company Limited.

9. ADDITIONAL INFORMATION continued

(b) Gordon Elkington:

- (i) Gordon Elkington is a director of Winpar Holdings Limited.
- (ii) Gordon Elkington and/or Associates are shareholders of Cameron Capital Limited, Henley Underwriting & Investment Company Pty Limited, Illuminator Investment Company Limited and Winpar Holdings Limited.
- (iii) Gordon Elkington and/or Associates are option holders of Illuminator Investment Company Limited.

(c) Enzo Pirillo:

- (i) On 4 November 2004 the Company acquired from Enzo Pirillo 25,000 \$1.00 options exercisable before 30 June 2006 to acquire shares in NSX Limited for a total consideration of \$10.00.
- (ii) On 10 November 2004 Pirenz Nominees Pty. Limited, an Associate of Enzo Pirillo, acquired from the Company 25,000 35 cent options exercisable before 28 August 2008 to acquire shares in NSX Limited for a total consideration of \$12.50.
- (iii) Enzo Pirillo is a director of Cameron Capital Limited.
- (iv) Enzo Pirillo and/or Associates are shareholders in Cameron Capital Limited, Illuminator Investment Company Limited, The Newcastle Company Pty Limited and Winpar Holdings Limited.
- (v) Enzo Pirillo and/or Associates are option holders of Illuminator Investment Company Limited and NSX Limited.

(d) Steven Pritchard:

- (i) On 30 June 2004 the Company acquired 2,500 ordinary fully paid shares in NSX Limited from Superannuation Nominees Pty Limited, which is an Associate of Steven Pritchard, for a consideration of \$875.
- (ii) On 1 July 2004 the Company acquired 100% of the issued capital of First Newcastle Pty Limited which is the trustee of The NSX Investment Trust, for a consideration of \$100.
- (iii) On 1 July 2004 the Company subscribed for 10,000 units at a \$1 per unit in The NSX Investment Trust. The NSX Investment Trust redeemed 100 units held by The NSX Strategic Investment Trust, an entity Associated with Steven Pritchard, for a consideration of \$100. These transactions resulted in The NSX Investment Trust becoming wholly owned by the Company.
- (iv) On 3 November 2004 the Company acquired from Australian Building & Investment Company Pty Limited, a company associated with Steven Pritchard, 200,000 35 cent options exercisable on or before 28 August 2008 to acquire shares in NSX Limited for a total consideration of \$100.
- (v) On 1 June 2005 the Company acquired from Lateral Investment Corporation Pty Limited, an Associate of Steven Pritchard 100,000 50 cent options exercisable on or before 15 December 2006 to acquire shares in Illuminator Investment Company Limited for a total consideration of \$3,500.



9. ADDITIONAL INFORMATION continued

- vi) On 8 June 2005 the Company acquired from Superannuation Nominees Pty Limited, an Associate of Steven Pritchard, 6,665 ordinary shares fully paid in Winpar Holdings Limited for a total consideration of \$6,665.
- (vii) On 21 June 2005 the Company acquired from Pritchards, 75,000 50 cent options exercisable before 15 December 2006 to acquire shares in Illuminator Investment Company Limited for a total consideration of \$2,625.
- (viii) On 27 June 2005 the Company repaid loans of \$3,031 to Steven Pritchard and \$7,708 to Pritchards.
- (ix) Steven Pritchard is a director of and owns 100% of the issued capital of Rees Pritchard Pty Limited. Rees Pritchard Pty Limited provides accounting and taxation services to the Company upon arms length commercial terms.
- (x) Steven Pritchard is a director of and has an indirect beneficial interest in 100% of the issued capital of Pritchards which may receive brokerage:
- (a) on any application received by the Company and bearing its stamp; and
 - (b) on any investment transactions undertaken by the Company through Pritchards.
- Transactions undertaken through Pritchards will be on arms length commercial terms.
- (xi) Steven Pritchard is director of each of Cameron Capital Limited, Cameron Stockbrokers Limited, Henley Underwriting & Investment Company Pty Limited, Illuminator Investment Company Limited, Lateral Investment Corporation Pty Limited, The Newcastle Company Pty Limited, Pritchard & Company Pty Limited, Pritchard Continuation Pty Limited and Winpar Holdings Limited, and is a member of the Compliance Committee of the NSX.
- (xii) Steven Pritchard and associates are shareholders in Cameron Capital Limited, Illuminator Investment Company Limited, Lateral Investment Corporation Pty Limited, NSX Limited, Pritchard & Company Pty Limited, Pritchard Continuation Pty Limited and The Newcastle Company Pty Limited.
- (e) On 28 June 2005 the Company acquired 4 ordinary shares in the capital of The Newcastle Company Pty Limited, The balance of ordinary shares are held 10% by Steven Pritchard and 50% by Enzo Pirillo.
- (f) Each of Steven Pritchard and Enzo Pirillo is a director of and has an indirect beneficial interest in 25% of the issued capital of Newcastle Capital Markets Registries Pty Limited, a company which provides share registry services to the Company on arms length commercial terms.
- (g) Steven Pritchard and Enzo Pirillo are directors of Cameron Capital Limited. Entities associated with Steven Pritchard and Enzo Pirillo are shareholders of Cameron Capital Limited which is the parent of Cameron Stockbrokers Limited. Cameron Stockbrokers Limited may receive brokerage:
- (i) upon any Application received by the Company and bearing its stamp; and
 - (ii) upon any investment transactions undertaken by the Company through it.
- All transactions will be on arms length commercial terms.
- (h) Pritchards has paid the costs of the preparation of this Prospectus on behalf of the Company and will be reimbursed by the Company out of the proceeds of the Offer.

9. ADDITIONAL INFORMATION *continued*

- (i) Each Director has entered into a Deed of Access and Indemnity with the Company. See Section 8.2 for details.

Except as set out in this Prospectus there are no interests that exist at the date of this Prospectus and there have been no interests that have existed within the two years preceding the date of this Prospectus that are or were interests of a Director or a proposed Director in the promotion of the Company or in any property proposed to be acquired by the Company in connection with its formation or promotion. Further, except as set out in this Prospectus, there have been no amounts paid or agreed to be paid to a Director in cash or Securities or otherwise by any persons either to induce him to become or qualify him as a Director or otherwise for services rendered by him in connection with the promotion or formation of the Company.

9.11 Legal Proceedings

The Company is not and has not been, during the 12 months preceding the date of this Prospectus, involved in any legal or arbitration proceedings. As far as the Directors are aware, no such proceedings are threatened against the Company.

9.12 Consents and Responsibility Statements

Baker & McKenzie has given and, before lodgement of the paper Prospectus with ASIC and the issue of the electronic Prospectus, has not withdrawn its written consent to be named as solicitors to the Offer in the form and context in which it is so named.

Baker & McKenzie has only been involved in the preparation of that part of this Prospectus where it is named as solicitor to the Offer. Baker & McKenzie specifically disclaims liability to any person in the event of any omission from, or any false or misleading statement included elsewhere in the Prospectus. While Baker & McKenzie has provided advice to the Directors in relation

to the issue of the Prospectus and the conduct of due diligence enquiries by the Company and the Directors, Baker & McKenzie has not authorised or caused the issue of the Prospectus and takes no responsibility for its contents.

Cameron Stockbrokers Limited has given and, before lodgement of the paper Prospectus with ASIC and the issue of the electronic Prospectus, has not withdrawn its written consent to being named in the Prospectus as Broker to the Offer of the Company in the form and context in which it is so named.

Cameron Stockbrokers Limited has not been involved in the preparation of any part of this Prospectus and specifically disclaims liability to any person in the event of any omission from, or any false or misleading statement included in, the Prospectus. Cameron Stockbrokers Limited has not authorised or caused the issue of the Prospectus and takes no responsibility for its contents.

Forsythes has given, and before lodgement of the paper Prospectus with ASIC and the issue of the electronic Prospectus, has not withdrawn its written consent to being named in this Prospectus as Auditor of the Company in the form and context in which it is, so named.

Forsythes has not been involved in the preparation of any part of this Prospectus and specifically disclaims liability to any person in the event of any omission from, or any false or misleading statement included in, the Prospectus. Forsythes has not authorised or caused the issue of the Prospectus and takes no responsibility for its contents.

Newcastle Capital Markets Registries Pty Limited has given and, before lodgement of the paper Prospectus with ASIC and the issue of the electronic Prospectus, has not withdrawn its written consent to being named in the Prospectus as share registrar for the Company in the form and context in which it is so named.



9. ADDITIONAL INFORMATION continued

Newcastle Capital Markets Registries Pty Limited has not been involved in the preparation of any part of this Prospectus and specifically disclaims liability to any person in the event of any omission from, or any false or misleading statement included in, the Prospectus. Newcastle Capital Markets Registries Pty Limited has not authorised or caused the issue of the Prospectus and takes no responsibility for its contents.

Pritchard & Partners Pty Limited has given and, before lodgement of the paper Prospectus with ASIC and the issue of the electronic Prospectus, has not withdrawn its written consent to being named in the Prospectus as Sponsoring Broker, Nominated Adviser and Dealer to the Offer in the form and context in which it so named.

Pritchard & Partners Pty Limited has not been involved in the preparation of any part of this Prospectus and specifically disclaims liability to any person in the event of any omission from, or any false or misleading statement included in, the Prospectus. Pritchard & Partners Pty Limited has not authorised or caused the issue of the Prospectus and takes no responsibility for its contents.

Rees Pritchard Pty Limited has given, and before lodgement of the paper Prospectus with ASIC and the issue of the electronic Prospectus, has not withdrawn its written consent to being named in the Prospectus as accountants and taxation advisers for the Company in the form and context in which it so named.

Except in respect of the Taxation Report (referred to in Section 7 above), Rees Pritchard Pty Limited has not been involved in the preparation of any part of this Prospectus and specifically disclaims liability to any person in the event of any omission from, or any false or misleading statement included in, the Prospectus. Rees Pritchard Pty Limited has not authorised or caused the issue of the Prospectus and takes no responsibility for its contents.

9.13 Interest of Experts

Other than as set out below, no expert nor any firm in which any expert is a partner or employee has any interest in the promotion of, or any property proposed to be acquired by, the Company.

Baker & McKenzie has acted as solicitor to the Offer and has performed work in relation to negotiating certain of the material contracts, preparing the due diligence program and performing due diligence enquiries on legal matters. In respect of this Prospectus, the Company estimates that it will pay amounts totalling approximately \$10,000 (excluding disbursements) to Baker & McKenzie.

Rees Pritchard Pty Limited has also prepared the Taxation Report included in this Prospectus. The Company estimates it will pay up to \$5,000 (excluding disbursements) to Rees Pritchard Pty Limited in respect of this work.

Brokers to the issue will receive a 4% handling fee in respect of Applications. Refer to section 5.7 for further details.

Certain partners and employees of the above firms may subscribe for Security Parcels in the context of the Offer.

9.14 Continuous Disclosure

The Company will be subject to regular reporting and disclosure obligation under the Corporations Act and Listing Rules. Copies of documents lodged with ASIC may be obtained from, or inspected at any ASIC office.

If Shareholders wish to obtain:

- the Company's annual financial report lodged with ASIC;
- any half-yearly report lodged with ASIC after the lodgement of the annual report; or
- any continuous disclosure notice given by the Company after the lodgement of the annual report,

please contact the Company on 02 4920 2877

10. GLOSSARY

Terms and abbreviations used in this Prospectus have the following meaning:

ACH	Australian Clearing House Pty Limited;
AFS Licence	Australian Financial Services Licence granted under chapter 7 of the Corporations Act;
Applicant	person who submits an Application;
Application	application for Security Parcels pursuant to the terms and conditions set out in this Prospectus;
Application Form	application form in the form attached to this Prospectus;
Application Monies	Application Price multiplied by the number of Security Parcels applied for;
Application Price	\$4.00 for each Security Parcel;
A Ordinary Share	fully paid A ordinary non voting share;
Associate	the meaning given by Division 2 of the Corporations Act;
ASIC	Australian Securities & Investments Commission;
ASX	Australian Stock Exchange Limited;
Auditor	Forsythes;
B Ordinary Share	fully paid B ordinary share;
Board	board of directors of Pritchard Equity Limited;
Business Day	day, other than a Saturday or Sunday, on which banks are open for general banking business in Newcastle, New South Wales;
BSX	Bendigo Stock Exchange Limited;
C Ordinary Share	fully paid C ordinary share;
Closing Date	date by which valid acceptances must be received by the Share Registrar being 7 March 2006 or such other date as may be determined by the Company;
Company	Pritchard Equity Limited ACN 100 517 404;
Constitution	The Constitution of the Company as amended from time to time;
Dealers	Australian Financial Services Licensees;
Directors	directors comprising the board of directors of Pritchard Equity Limited;
Group	a company and its subsidiaries;
Issue	issue of Security Parcels in accordance with this Prospectus;
Licensed Intermediary	Pritchard & Partners Pty Limited AFS Licence Number 246712;



10. GLOSSARY continued

Listing Rules	Listing Rules of NSX;
NSX	Stock Exchange of Newcastle Limited;
Offer	offer of up to 500,000 A Ordinary Shares, 500,000 B Ordinary Shares, 500,000 Series 1 Options, 250,000 Series 2 and 250,000 Series 3 Options pursuant to and in accordance with the terms and conditions set out in this Prospectus;
Opening Date	date of issue of this Prospectus, expected to be 20 December 2005;
Plan	dividend re-investment plan described in Section 9.7;
Pritchards	Pritchard & Partners Pty. Limited;
Prospectus	this Prospectus dated 13 December 2005 as modified or varied by any supplementary Prospectus made by the Company and lodged with ASIC from time to time;
Securities	the meaning given in section 92 of the Corporations Act;
Security Parcel	a parcel of Securities comprising 2 A ordinary Shares, 2 B ordinary Shares, 2 Series 1 Options, 1 Series 2 Option and 1 Series 3 Option;
Series 1 Option	option to acquire one A Ordinary Share at an exercise price of \$1.25 per Share by 10 December 2008 on the terms and conditions set out in Section 9.4;
Series 2 Option	option to acquire one A Ordinary Share at an exercise price of \$2.50 per Share by 10 December 2010 on the terms and conditions set out in Section 9.5;
Series 3 Option	option to acquire one A Ordinary Share at an exercise price of \$5.00 per Share by 10 December 2015 on the terms and conditions set out in Section 9.6;
SCH	Securities Clearing House;
SEATS	Stock Exchange Automated Trading System;
Share	share in the Company;
Shareholder	person who holds a share in the Company;
Share Registrar	Newcastle Capital Markets Registries Pty Limited ACN 092 673 348;
Tax Opinion	tax opinion set out in section 7 of this Prospectus prepared by Rees Pritchard Pty Limited.

This Prospectus has been approved by a unanimous resolution of the Directors of the Company.

Dated: 13 December 2005
Steven Pritchard
Chairman



APPLICATION FORM

PRITCHARD EQUITY LIMITED ACN 100 517 404 Initial Public Offer

Initial Public Offer

The Corporations Act 2001 prohibits any person from passing onto another person this Application Form unless it is attached to or accompanied by this Prospectus.

FOR REGISTRY USE ONLY

FOR BROKERS USE ONLY

BROKERS CODE ADVISOR CODE

Grid for entering codes

USE BLOCK LETTERS

INSTRUCTIONS ON HOW TO COMPLETE SECTIONS A-K ARE SET OUT ON THE REVERSE OF THIS FORM.

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B A \$ []

Please make sure that the amount of your cheque(s) equals this amount and is made payable to 'Pritchard Equity Limited - Float Account'

C Dividend Reinvestment Plan Election (please tick one) - [] I/We elect to re-invest all dividends in additional securities [] I/We elect to not re-invest any dividends

If no election is made, the Company will assume the election of re-investing all dividends in additional securities is made.

COMPLETE FULL NAME AND ADDRESS DETAILS

D INSERT CORRECT TITLE (MR/MRS/MISS/MS) GIVEN NAME(S) (IN FULL) SURNAME OR COMPANY NAME

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E JOINT APPLICATION OR ACCOUNT DESIGNATION EG <SUPER FUND A/C>

F NUMBER/STREET OR PO BOX NO

SUBURB OR TOWN STATE POSTCODE

G CONTACT NUMBER (DAYTIME) CONTACT NAME

H HIN - EXISTING CHESS PARTICIPANTS ONLY

PIN YOUR CHEQUE(S) HERE

I	DRAWER	BANK	BRANCH	AMOUNT OF CHEQUE	Please make Cheque(s) Payable to 'Pritchard Equity Limited - Float Account'
				\$	
				\$	

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ENTER YOUR ABN

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Forward your completed application together with the application money to:

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PO Box 413 Hamilton NSW 2303
PH: 02 4920 2877

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C/- Pritchard & Partners Pty Ltd
10 Murray Street
Hamilton NSW 2303

Applications must be received by no later than 5.00PM 7 March 2006.

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- Enter the NUMBER OF SECURITY PARCELS you wish to apply for. Applications must be for the minimum of 500 security parcels as set down on page 5 of the Prospectus and thereafter multiples of 25 security parcels.
- Enter the TOTAL AMOUNT of application money payable. To calculate the amount multiply the number of security parcels applied for by \$4.00 per security parcel.
- TICK one box only in respect to your Dividend Reinvestment Plan Election. Details of the Dividend Reinvestment Plan are set down on page 39 of the prospectus.
- Enter the FULL NAME(S) and TITLE(S) of all legal entities that are to be recorded as the registered holder(s). Refer to the name standards below for guidance on valid registration.
- Account designations are optional. In the case of three joint holders, the third name should be written in the account designation.
- Enter the POSTAL ADDRESS for all communications from the Company. Only one address can be recorded.
- Enter the daytime telephone numbers and contact person the registry can speak to if they have any queries regarding this application.
- If you are sponsored in CHESS by a stockbroker or other CHESS participant enter your Holder Identification Number (HIN).
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- Before completing the application form the applicant(s) declare(s) that he or she has read the prospectus to which the application relates. The applicant(s) agree(s) that this application is for securities in Pritchard Equity Limited upon and subject to the terms of the prospectus, agree(s) to take any number of securities equal to or less than the number of securities indicated in box A that may be issued to the applicant(s) pursuant to the prospectus and declare(s) that all details and statements made are complete and accurate. It is not necessary to sign the application form.
- Enter the tax file number(s) of the applicants. With a joint holding, only the tax file numbers of two holders are required.

Privacy and Collection of Tax File Numbers

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Security Parcels	Amount	Security Parcels	Amount	Security Parcels	Amount	Security Parcels	Amount	Security Parcels	Amount
500	\$ 2,000	750	\$ 3,000	875	\$ 3,500	1,000	\$ 4,000	1,125	\$ 4,500
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Correct Forms of Registrable Names

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Type of Investor	Correct Form of Registration	Incorrect Form of Registration
Individual – Use given names in full not initials	Mr John Alfred Smith	JA Smith
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PRITCHARD EQUITY LIMITED ACN 100 517 404 Initial Public Offer

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